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December 24, 2002

Ms Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: Ex Parte in WC Docket No. 01-338

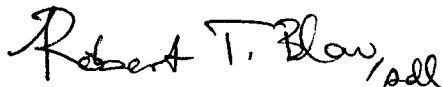
Dear Ms Dortch:

On December 23, 2002, Pete Martin, Jonathan Banks, Keith Milner, Ken Ainsworth and the undersigned met with William Maher, Jeffrey Carlisle and Rich Lerner of the Wireline Competition Bureau.

The purpose of this meeting was to discuss BellSouth's ability to hot-cut UNE-P to UNE-L lines, as well as BellSouth retail to UNE-L lines, in a timely and efficient manner. Details of the discussion are summarized in the attached document.

In accordance with Section 1.1206, I am filing this notice electronically and request that you please place them in the record of the proceeding identified above.

Sincerely,

Handwritten signature of Robert T. Blau, with a stylized flourish at the end.

Attachment

cc: William Maher  
Jeffrey Carlisle  
Rich Lerner

# Structure of Presentation

- Loop provisioning issues such as hot cut capacity do not support a finding of switch impairment
- Proper framework for UNE-P transition will recognize FCC, PSC and carrier work to-date and create incentives that focus parties on implementation not regulatory posturing
- Focus on UNE-P competitors over competition interferes with public interest goal – ILECs losing more lines to wireless, cable and broadband than to synthetic UNE-P

# Today's Loop Provisioning and Hot Cut Processes Are Efficient

- BLS hot cut and loop provisioning processes designed with CLEC input and under PSC supervision to be efficient
  - State proceedings reviewed loop provisioning and hot cut processes
    - Louisiana workshops
    - Georgia hot cut reconciliation process
    - Arbitrations
  - Third-party testing of provisioning processes
- Daily internal hot cut quality reviews
- TELRIC pricing reimburses only most efficient costs

# **Today's Loop Provisioning and Hot Cut Processes And Performance Are Reliable**

- The data show continuing excellent performance
  - BellSouth's performance has passed close state and federal scrutiny for the last year
    - Hot cut on time performance : 99.93% (BST Region – 10/02)
    - % Provisioning Troubles Within 7 days – 2.3 % (BST Region –10/02)
- Performance measures and penalties put in place by PSCs with CLEC input guarantee continued excellent performance
  - Broad set of loop provisioning measures and standards
  - Meaningful penalties, e.g., \$400/affected hot cut in first month increasing to \$800/cut

# **Today's Loop Provisioning & Hot Cut Processes & Performance Are Scalable**

- BellSouth can meet shift of entire current UNE-P demand to UNE loops under today's strict performance standards
  - Current CO workforce of about 3,000
  - 350 CO technicians could handle entire volume
  - Current provisioning centers already staffed for higher loop volumes with about 400 technicians
  - Workforce demand could be met today through current capacity, redeployment and overtime
  - Ainsworth/Milner affidavit (Attachment 6 to BellSouth Triennial Review reply comments)

# **Today's Loop Provisioning & Hot Cut Processes & Performance Are Scalable (cont.)**

- BellSouth has ramped up to meet CLEC demand before
  - Network workforce management is core competency
    - Local Carrier Service Centers
    - Provisioning centers
    - Collocation
- BellSouth workforce models for projecting staffing needed to meet CLEC volume increases approved in Florida third-party testing
- BellSouth regularly completes major projects that require much larger commitments of manual resources

# **Today's Loop Provisioning & Hot Cut Processes & Performance Are Scalable (cont.)**

- Transition of installed UNE-P base through deployment of additional teams in High Volume COs
- All Provisioning measures except order completion interval apply to bulk hot cuts
- CLECs pay UNE-P price until cutover occurs

# Conversion of the Embedded UNE-P Base – Top 20 UNE-P Wire Centers

CO	UNE-P Bus Units	UNE-P Res Units	Total UNE- Ps	Months required to convert 100% of UNE-Ps to UNE-L and/or EELs	Months required to convert 30% of existing UNE-Ps to UNE-L and/or EELs	# of Collocation Arrangements by CLECs that are also providing UNE- Ps
HLWDFLPE Total	2,448	22,154	24,602	9.00	3.55	5
MIAMFLHL Total	3,177	12,883	16,060	7.73	2.32	4
HLWDFLWH Total	2,253	12,253	14,506	6.98	2.10	6
PRRNFLMA Total	2,433	10,647	13,080	6.30	1.89	4
MRTTGAMA Total	2,253	9,138	11,391	5.48	1.65	8
MIAMFLCA Total	1,290	9,843	11,133	5.36	1.61	2
PMBHFLCS Total	1,731	8,858	10,589	5.10	1.53	2
LRVLGAOS Total	1,414	7,982	9,396	4.52	1.36	2
MIAMFLWD Total	494	8,094	8,588	4.13	1.24	1
PMBHFLMA Total	2,258	6,205	8,463	4.07	1.22	5
WPBHFLGA Total	1,471	6,922	8,393	4.04	1.21	4
NDADFLBR Total	943	7,094	8,037	3.87	1.16	1
FTLDFLOA Total	1,358	6,675	8,033	3.87	1.16	3
FTLDFLJA Total	1,570	6,456	8,026	3.86	1.16	3
MIAMFLPL Total	5,353	1,912	7,265	3.50	1.05	4
WDSTGACR Total	1,165	6,014	7,179	3.46	1.04	2
FTLDFLPL Total	1,897	5,280	7,177	3.46	1.04	5
NDADFLAC Total	1,565	5,568	7,133	3.43	1.03	2
RSWLGAMA Total	1,391	5,515	6,906	3.33	1.00	7
SMYRGAMA Total	971	5,926	6,897	3.32	1.00	6
Total (Top 20 COs)	37,435	165,419	202,854			76
Grand Total (all COs)	576,297	821,002	1,397,299			898
NOTES: (1) Months required to convert 100% of UNE-Ps based on 2 shifts, except for HLWDFLPE, where some third shift work is included.						
(2) Based on a mix of SL1 and SL2 loops.						



# **Loop Provisioning Meets All Telecom Act Obligations And Provides No Basis For A Finding Of Switch Impairment**

- Current process is efficient, reliable and scaleable
  - Network workforce management is core competency – BLS has ramped up before and will continue to do so
- Current processes and performance approved unanimously by 9 state PSCs and FCC in 271 proceedings
  - For example, “BellSouth provides hot cuts in Georgia and Louisiana within a reasonable time interval, at an acceptable level of quality, with minimal service disruption, and with a minimum number of troubles following installation.” Ga/La Order at Para. 220 (footnotes omitted)
- Current standards and penalties ensure continued performance
  - \$400 per affected transaction - penalty for missed cuts

# Hot Cut and Collocation Prices Do Not Provide a Basis for Impairment

- State PSCs set TELRIC hot cut and collocation prices that reflect efficient processes and offerings
  - Approved in state and FCC 271 reviews
  - BellSouth SL1 hot cut rate \$30-60/line
    - varies by state and # of lines, includes order coordination and service order charge
- Collocation offerings provide for choice of caged, cageless, shared and adjacent
  - CLECs can share collocation
  - Assembly room option available
- Collocation performance remains excellent
  - No missed due dates in October for BST region

## **Broad Use Of Collocation Shows That Collocation Is Not A Barrier To Switch Deployment**

- 3,981 current CLEC collocations in BellSouth's 1,600 offices
  - 85% of UNE-Ps in COs with collocation
- Virtual collocation available in every CO
- Physical collocation not currently available in 3 offices accounting for less than .1% of UNE-Ps

# **Proper Framework For UNE-P Transition Creates Incentives For Parties To Implement Pro-consumer Transition Quickly and Efficiently**

- CLECs have leverage to bargain effectively over market alternatives to UNE-P
  - Loop provisioning is efficient, reliable and scaleable
    - Current performance standards, automatic penalties and complaint proceedings, if necessary, guarantee that CLECs can cutover to UNE loops
- ILECs have incentives to keep CLECs on network
- Elimination of UNE-P focuses parties on commercial solutions and implementation
  - Further proceedings prior to removing UNE-P creates incentives to concoct problems rather than to solve them

# Backup

December 23, 2002

BellSouth Ex Parte

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# Hot Cut Rates - First

Hot Cut Option	Cost Ref. No.	Rate Elements	AL	FL	GA	KY	LA	MS	NC	SC	TN
1		<b>SL1 LOOP</b>									
	A.1.1	SL1 Loop NRC (1st)	\$37.81	\$49.57	\$42.54	\$46.66	\$36.54	\$37.92	\$36.54	\$37.92	\$31.99
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL1 Loop Hot Cut (1st)</b>	<b>\$43.64</b>	<b>\$51.09</b>	<b>\$43.09</b>	<b>\$54.54</b>	<b>\$39.52</b>	<b>\$43.62</b>	<b>\$39.52</b>	<b>\$43.84</b>	<b>\$31.99</b>
2		<b>SL1 LOOP with Order Coordination</b>									
	A.1.1	SL1 Loop NRC (1st)	\$37.81	\$49.57	\$42.54	\$46.66	\$36.54	\$37.92	\$36.54	\$37.92	\$31.99
	N.1.5	Order Coordination	\$8.15	\$9.00	\$18.11	\$9.00	\$7.92	\$8.20	\$7.92	\$8.17	\$36.52
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL1 Loop Hot Cut (1st)</b>	<b>\$51.79</b>	<b>\$60.09</b>	<b>\$59.20</b>	<b>\$63.54</b>	<b>\$47.44</b>	<b>\$51.82</b>	<b>\$47.44</b>	<b>\$52.01</b>	<b>\$68.51</b>
3		<b>SL1 LOOP with Order Coordination and OC for Specified Conversion Time</b>									
	A.1.1	SL1 Loop NRC (1st)	\$37.81	\$49.57	\$42.54	\$46.66	\$36.54	\$37.92	\$36.54	\$37.92	\$31.99
	N.1.5	Order Coordination	\$8.15	\$9.00	\$18.11	\$9.00	\$7.92	\$8.20	\$7.92	\$8.17	\$36.52
	N.1.6	Order Coordination for Specified Conversion Time	\$18.09	\$23.02	\$35.74	\$23.01	\$17.56	\$18.19	\$17.56	\$18.13	\$34.29
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL1 Loop Hot Cut (1st)</b>	<b>\$69.88</b>	<b>\$83.11</b>	<b>\$94.94</b>	<b>\$86.55</b>	<b>\$65.00</b>	<b>\$70.01</b>	<b>\$65.00</b>	<b>\$70.14</b>	<b>\$102.80</b>
4		<b>SL2 LOOP (Order Coordination Included In Loop NRC)</b>									
	A.1.2	SL2 Loop NRC (1st)	\$88.00	\$135.75	\$104.17	\$134.89	\$102.10	\$105.96	\$102.10	\$105.98	\$75.06
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL2 Loop Hot Cut (1st)</b>	<b>\$93.83</b>	<b>\$137.27</b>	<b>\$104.72</b>	<b>\$142.77</b>	<b>\$105.08</b>	<b>\$111.66</b>	<b>\$105.08</b>	<b>\$111.90</b>	<b>\$75.06</b>
5		<b>SL2 LOOP (Order Coordination Included In Loop NRC) with OC for Specified</b>									
	A.1.2	SL2 Loop NRC (1st)	\$88.00	\$135.75	\$104.17	\$134.89	\$102.10	\$105.96	\$102.10	\$105.98	\$75.06
	N.1.6	Order Coordination for Specified Conversion Time	\$18.09	\$23.02	\$35.74	\$23.01	\$17.56	\$18.19	\$17.56	\$18.13	\$34.29
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL2 Loop Hot Cut (1st)</b>	<b>\$111.92</b>	<b>\$160.29</b>	<b>\$140.46</b>	<b>\$165.78</b>	<b>\$122.64</b>	<b>\$129.85</b>	<b>\$122.64</b>	<b>\$130.03</b>	<b>\$109.35</b>

# Hot Cut Rates - Additional

Hot Cut Option	Cost Ref. No.	Rate Elements	AL	FL	GA	KY	LA	MS	NC	SC	TN
1	<b>SL1 LOOP</b>										
	A.1.1	SL1 Loop NRC (Addl)	\$17.56	\$22.83	\$31.33	\$22.57	\$16.87	\$17.55	\$16.87	\$17.62	\$20.02
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL1 Loop Hot Cut (Addl)</b>	<b>\$23.39</b>	<b>\$24.35</b>	<b>\$31.88</b>	<b>\$30.45</b>	<b>\$19.85</b>	<b>\$23.25</b>	<b>\$19.85</b>	<b>\$23.54</b>	<b>\$20.02</b>
2	<b>SL1 LOOP with Order Coordination</b>										
	A.1.1	SL1 Loop NRC (1st)	\$17.56	\$22.83	\$31.33	\$22.57	\$16.87	\$17.55	\$16.87	\$17.62	\$20.02
	N.1.5	Order Coordination	\$8.15	\$9.00	\$16.11	\$9.00	\$7.92	\$8.20	\$7.92	\$8.17	\$36.52
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL1 Loop Hot Cut (Addl)</b>	<b>\$31.54</b>	<b>\$33.35</b>	<b>\$47.99</b>	<b>\$39.45</b>	<b>\$27.77</b>	<b>\$31.45</b>	<b>\$27.77</b>	<b>\$31.71</b>	<b>\$56.54</b>
3	<b>SL1 LOOP with Order Coordination and OC for Specified Conversion Time</b>										
	A.1.1	SL1 Loop NRC (1st)	\$17.56	\$22.83	\$31.33	\$22.57	\$16.87	\$17.55	\$16.87	\$17.62	\$20.02
	N.1.5	Order Coordination	\$8.15	\$9.00	\$16.11	\$9.00	\$7.92	\$8.20	\$7.92	\$8.17	\$36.52
	N.1.6	Order Coordination for Specified Conversion Time	\$18.09	\$23.02	\$35.74	\$23.01	\$17.56	\$18.19	\$17.56	\$18.13	\$34.29
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL1 Loop Hot Cut (Addl)</b>	<b>\$49.63</b>	<b>\$56.37</b>	<b>\$83.73</b>	<b>\$62.46</b>	<b>\$45.33</b>	<b>\$49.64</b>	<b>\$45.33</b>	<b>\$49.84</b>	<b>\$90.83</b>
4	<b>SL2 LOOP (Order Coordination Included in Loop NRC)</b>										
	A.1.2	SL2 Loop NRC (1st)	\$55.00	\$82.47	\$78.10	\$81.87	\$65.72	\$68.28	\$65.72	\$68.43	\$48.20
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL2 Loop Hot Cut (Addl)</b>	<b>\$60.83</b>	<b>\$83.99</b>	<b>\$78.65</b>	<b>\$89.75</b>	<b>\$68.70</b>	<b>\$73.98</b>	<b>\$68.70</b>	<b>\$74.35</b>	<b>\$48.20</b>
5	<b>SL2 LOOP (Order Coordination Included in Loop NRC) with OC for Specified</b>										
	A.1.2	SL2 Loop NRC (1st)	\$55.00	\$82.47	\$78.10	\$81.87	\$65.72	\$68.28	\$65.72	\$68.43	\$48.20
	N.1.6	Order Coordination for Specified Conversion Time	\$18.09	\$23.02	\$35.74	\$23.01	\$17.56	\$18.19	\$17.56	\$18.13	\$34.29
	N.1.1	Electronic Service Order	\$5.83	\$1.52	\$0.55	\$7.88	\$2.98	\$5.70	\$2.98	\$5.92	\$0.00
		<b>TOTAL SL2 Loop Hot Cut (Addl)</b>	<b>\$78.92</b>	<b>\$107.01</b>	<b>\$114.39</b>	<b>\$112.76</b>	<b>\$86.26</b>	<b>\$92.17</b>	<b>\$86.26</b>	<b>\$92.48</b>	<b>\$82.49</b>